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USDOC FOR 532/OEA/LHINES/ADYSON
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR PATRICK SANTILLO
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A

TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)

SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION: VICTORY WAVE
HOLDINGS LTD.

REF: A) USDOC 06826 B) HK 00001(2008) C)HK 00966 (2008) D) HK 02563
(2007) E) USDOC 02564 F) USDOC 02565s

1.Unauthorized disclosure of the information provided below is
prohibited by Section 12C of the Export Administration Act.

12. As per reftel A and B requests and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO) attempted to conduct a post shipment-verification (PSV) at Victory Wave Holdings Ltd., Unit 2401A, Park-In Commercial Centre, 56 Dundas Street, Hong Kong (Victory Wave). The items in question for this check are 8-bit D/A converters transferred to Victory Wave by Arrow Electronics on or about June 4, 2007 and July 12, 2007. All of these items are classified under export control classification number (ECCN) 3A001 and, if properly classified, would be controlled for national security (NS) reasons. The company that sold the items to Victory Wave was Arrow Asia, the Hong Kong branch office of Arrow Electronics in the United States.

13. As further detailed in reftels B-D, Victory Wave was the subject of a prior PSV and is implicated (directly or indirectly) in several additional unfavorable PSVs. It is also related to several other problematic companies in Hong Kong including Exodus Microelectronics (the subject of reftels E and F), Echelon Microsystems Limited and Centre Bright, among others. These companies are, in turn, related or conduct business with a range of problematic mainland China companies. Based on information received from an industry source, ECO believes that the directors and shareholders of Exodus, Centre Bright, Victory Wave and Echelon are all members of the same family (parents and adult son). A review of the Hong Kong Companies Registry reveals that the corporate information concerning Victory Wave has not changed since the date of the Victory Wave PSV referenced in reftel B.

14. FCS Commercial Assistant Carrie Chan attempted, on several occasions, to set up a meeting with representatives of Victory Wave at a range of contact numbers (including those provided by OEA). No one answered at any of the applicable numbers. ECO subsequently sent a registered letter to Victory Wave requesting a meeting. The Hong Kong Post Office confirms that a representative of Victory Wave signed for the letter at the Park-in Commercial Centre address; however, ECO remains unable to schedule the PSV and has not heard further from Victory Wave.

15. Based on the information noted above, ECO believes that Victory Wave is a most unsuitable recipient of U.S. origin controlled technology. Further, ECO recommends that Victory Wave be added to the BIS Unverified List and/or Entities List.